

EXHIBIT 3

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

IN RE NATIONAL)
PRESCRIPTION OPIATE) MDL No. 2804
LITIGATION) CASE NO. 17-MD-2804
) (DAP)
)

SUPPLEMENTAL EXPERT REPORT OF ROBERT MANESS

June 6, 2019

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1. I am Robert Maness. I have previously submitted an expert report in this matter.¹ In that report I offered corrections to Craig McCann's market share calculations for Henry Schein, Inc. ("Schein") and Henry Schein Medical Systems, Inc. (collectively "Henry Schein Defendants") for Summit County and Cuyahoga County Ohio as well as the state of Ohio as a whole.² I also reviewed Schein's transaction data and U.S. external, third-party revenue data to determine Schein's total sales in dollars of opioids in Summit County, Cuyahoga County, and the state of Ohio as a whole as well as the de minimis proportion of Schein's total sales that are attributable to opioids.³ My prior report concluded that Schein has had a de minimis market share of the opioid wholesale distribution market, and that Schein's opioid sales were such a small portion of its overall sales that no economic incentive existed for Schein to participate in any alleged coordinated action to increase the use of, or the market size related to, opioids.

I. SUPPLEMENTAL CALCULATIONS

2. I have been asked by counsel to review Schein's comprehensive transaction data for Summit County for the years 2006-2018 and determine the proportion of Schein's overall business in Summit County that is attributable to the sale of opioids.
3. Schein provided me with additional transaction level data detailing the extent of its overall sales in Summit County, Ohio, including sales of opioids for the 2006-2018 period.⁴ This supplemental data is in addition to the opioid-only transaction data for Schein that I reviewed in preparing my initial report.⁵ Supplemental Exhibit B contains additional materials and sources reviewed in this matter since my original Report.
4. Schein's total opioid net sales and net sales for all products for each year in Summit County are shown in Table 1. Schein's total net sales of all products in Summit County have ranged between [REDACTED] and [REDACTED] annually. Schein's total opioid sales in Summit

¹ Expert Report of Robert Maness, May 10, 2019. ("Maness Report"). As I addressed in the Maness Report, Henry Schein Medical Systems, Inc. does not sell opioids and neither McCann's report nor his supporting materials confirms the same.

² Maness Report, § III.

³ Maness Report, § IV.

⁴ 2019.05.19 - HSI Total Transactions to Summit County 2006-2018.xlsx.

⁵ HSI Opioid Sales 1.1.06 to 12.31.18.xlsx.

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County are minuscule in comparison to its overall business and do not represent a significant portion of Schein's business, ranging from just [REDACTED] to [REDACTED]. These sales pale in comparison to Schein's overall net sales in Summit County. In fact, opioids as a percent of Schein's Summit County sales range from less than [REDACTED]
[REDACTED] of Schein's annual net sales. Further, Schein's opioid sales as a percentage of net sales in Summit County has fallen from a de minimis [REDACTED] % to practically zero from 2006 to 2018.

Table 1
Henry Schein, Inc.'s Opioid⁶ Share of Net Sales
Summit County, 2006-2018

Year	HSI Opioid Invoiced Sales	HSI Net Sales	Opioid Share of Sales
2006	[REDACTED]	[REDACTED]	[REDACTED]
2007	[REDACTED]	[REDACTED]	[REDACTED]
2008	[REDACTED]	[REDACTED]	[REDACTED]
2009	[REDACTED]	[REDACTED]	[REDACTED]
2010	[REDACTED]	[REDACTED]	[REDACTED]
2011	[REDACTED]	[REDACTED]	[REDACTED]
2012	[REDACTED]	[REDACTED]	[REDACTED]
2013	[REDACTED]	[REDACTED]	[REDACTED]
2014	[REDACTED]	[REDACTED]	[REDACTED]
2015	[REDACTED]	[REDACTED]	[REDACTED]
2016	[REDACTED]	[REDACTED]	[REDACTED]
2017	[REDACTED]	[REDACTED]	[REDACTED]
2018	[REDACTED]	[REDACTED]	[REDACTED]

5. I have also investigated Schein's sales to top customers in Summit County over the time period spanning 2006 to 2018. I have ranked each of Schein's Summit County customers by their total purchases from 2006 to 2018. Schein's top 30 customers account for [REDACTED] million of the overall [REDACTED] million in Summit County sales from 2006 to 2018, or approximately [REDACTED] percent. Table 2 shows the total sales in Summit County by customer for each of the top 30 customers as well as each of those customer's total purchases of opioids. Only 4 of Schein's top 30 customers purchased any opioids at all during this time period and only one of those customers had purchases exceeding [REDACTED]. Additionally, only one top 30 Summit County customer purchased opioids in excess of [REDACTED]

⁶ This data includes transactions for *all opioids*, including Schedule III, IV, and V opioids, RX opioids, and treatment drugs that are excluded in Dr. McCann's calculations.

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[REDACTED], and even that customer's opioid purchases only accounted for [REDACTED] of its overall purchases. Overall, Schein's top 30 Summit County customers (accounting for over half of total sales in Summit County) purchased only [REDACTED] in opioids from 2006 to 2018. These opioid purchases are a de minimis fraction [REDACTED] of the [REDACTED] million in total sales to these same customers.

Table 2
Henry Schein, Inc. Customer's Opioid⁷ Purchase Share of Total Purchases
Top-30 Customers, 2006-2018

Customer ID	Opioid Purchases	Total Purchases	Opioid Share of Purchases
587802	[REDACTED]	[REDACTED]	[REDACTED]
158985	[REDACTED]	[REDACTED]	[REDACTED]
1332838	[REDACTED]	[REDACTED]	[REDACTED]
602411	[REDACTED]	[REDACTED]	[REDACTED]
137918	[REDACTED]	[REDACTED]	[REDACTED]
1054765	[REDACTED]	[REDACTED]	[REDACTED]
2724644	[REDACTED]	[REDACTED]	[REDACTED]
230783	[REDACTED]	[REDACTED]	[REDACTED]
2558612	[REDACTED]	[REDACTED]	[REDACTED]
130819	[REDACTED]	[REDACTED]	[REDACTED]
259046	[REDACTED]	[REDACTED]	[REDACTED]
154374	[REDACTED]	[REDACTED]	[REDACTED]
1047093	[REDACTED]	[REDACTED]	[REDACTED]
331849	[REDACTED]	[REDACTED]	[REDACTED]
551596	[REDACTED]	[REDACTED]	[REDACTED]
1367781	[REDACTED]	[REDACTED]	[REDACTED]
578345	[REDACTED]	[REDACTED]	[REDACTED]
691140	[REDACTED]	[REDACTED]	[REDACTED]
1627132	[REDACTED]	[REDACTED]	[REDACTED]
1784372	[REDACTED]	[REDACTED]	[REDACTED]
131833	[REDACTED]	[REDACTED]	[REDACTED]
185231	[REDACTED]	[REDACTED]	[REDACTED]
157692	[REDACTED]	[REDACTED]	[REDACTED]
1064522	[REDACTED]	[REDACTED]	[REDACTED]
721805	[REDACTED]	[REDACTED]	[REDACTED]
132467	[REDACTED]	[REDACTED]	[REDACTED]
1331037	[REDACTED]	[REDACTED]	[REDACTED]
569642	[REDACTED]	[REDACTED]	[REDACTED]
554228	[REDACTED]	[REDACTED]	[REDACTED]
199969	[REDACTED]	[REDACTED]	[REDACTED]
Total Top-30	[REDACTED]	[REDACTED]	[REDACTED]
Summit County	[REDACTED]	[REDACTED]	[REDACTED]

⁷ This data includes transactions for *all opioids*, including Schedule III, IV, and V opioids, RX opioids, and treatment drugs that are excluded in Dr. McCann's calculations.

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6. I have also looked at Schein's annual sales to its top 30 Summit County customers. Schein's annual sales to the top 30 customers as a collective range from [REDACTED] million to [REDACTED] million. However, the total annual opioid purchases for the top 30 customers as a collective never exceeded [REDACTED]. In three years (2010, 2011, and 2014) Schein's top 30 Summit County customers purchased no opioids at all. Opioids as a percent of total purchases ranged from zero to only [REDACTED] for the top 30 customers. Table 3 shows the annual purchases of opioids and all products for Schein's top 30 Summit County customers.

Table 3
Henry Schein, Inc.'s Opioid⁸ Share of Net Sales
Top 30 Customers, Summit County, 2006-2018

Year	HSI Opioid Invoiced Sales	HSI Net Sales	Opioid Share of Sales
2006	[REDACTED]	[REDACTED]	[REDACTED]
2007	[REDACTED]	[REDACTED]	[REDACTED]
2008	[REDACTED]	[REDACTED]	[REDACTED]
2009	[REDACTED]	[REDACTED]	[REDACTED]
2010	[REDACTED]	[REDACTED]	[REDACTED]
2011	[REDACTED]	[REDACTED]	[REDACTED]
2012	[REDACTED]	[REDACTED]	[REDACTED]
2013	[REDACTED]	[REDACTED]	[REDACTED]
2014	[REDACTED]	[REDACTED]	[REDACTED]
2015	[REDACTED]	[REDACTED]	[REDACTED]
2016	[REDACTED]	[REDACTED]	[REDACTED]
2017	[REDACTED]	[REDACTED]	[REDACTED]
2018	[REDACTED]	[REDACTED]	[REDACTED]

II. SUPPLEMENTAL CONCLUSIONS

7. Opioids account for a de minimis, decreasing portion of Schein's overall business in Summit County ranging from [REDACTED] to zero (Table 1). Furthermore, the vast majority of Schein's top Summit County customers (26 of the top 30) purchased no opioids at all from 2006 to 2018 (Table 2). From an economic and financial perspective, opioids are not a meaningful portion of Schein's sales business in Summit County. Opioid sales represent a tiny fraction of Schein's overall Summit County revenue, such that Schein would have

⁸ This data includes transactions for *all opioids*, including Schedule III, IV, and V opioids, RX opioids, and treatment drugs that are excluded in Dr. McCann's calculations.

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very little incentive or reason to increase its opioid sales in Summit County, much less to participate in any alleged coordinated action with the other defendants to do so.

Date: June 6, 2019



Robert S. Maness, Ph.D.

Charles River Associates

Supplemental Exhibit B

6/6/2019

Documents Reviewed:

Document	Bates Nos.
2019.05.19 - HSI Total Transactions to Summit County 2006-2018.xlsx	